

HONOLULU STAR BULLETIN (HI)

4 May 1984

FILE ONLY

Court Allows Trustee to View CIA Papers

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A federal judge yesterday said the trustee of Ronald Rewald's bankrupt company can review CIA documents sealed by the court in September.

Bankruptcy trustee Reynaldo Graulty said review of the documents is needed to determine if the estate has grounds to sue any government agency — including the CIA — in an effort to return millions of dollars to investors.

The trustee and bankruptcy administrator Thomas Hayes said review of the documents is the "statutory duty" of those administering the estate.

U.S. Judge Martin Pence originally sealed six packets of documents from the files of Bishop, Baldwin, Rewald, Dillingham & Wong for national security reasons at the request of CIA attorneys.

Pence said in his order yesterday that Hayes, Graulty and the trustee's attorneys can review the material, but cannot reveal the

contents to anyone who does not have proper clearance.

Attorney Don Gelber said the court order was sought after the U.S. Attorney's office refused to agree to let the trustee review the material.

Pence said that a declaration by CIA head William Casey, also included in the sealed information, will remain sealed. Gelber said a hearing may be held later to determine if that declaration will be unsealed.

In court documents, Rewald has claimed that the CIA set up his company and channeled money through it to secret projects around the world.

Hayes said if he finds that the CIA is liable for the loss of investors' money, he will take legal action against the agency. As yet, however, he has seen no evidence, he said. The evidence he has found, he said, shows that money put into the company was never legitimately invested and instead went to pay for Rewald's extravagant lifestyle and for the company's operation costs.